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C O N F I D E N T I A L SECTION 01 OF 02 BERLIN 000095

SIPDIS

E.O. 12958: DECL: 01/26/2020 TAGS: PREL GPGOV IR GM SUBJECT: GERMAN AMB. IN IRAN: TRANSITION TO "NORMAL"

DICTATORSHIP

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Classified By: Political M/C George Glass for reasons 1.4 b/d

 $\underline{\P}1.$ (C) Summary: Germany's new Ambassador to Iran, Bernd Erbel noted that he had not been warmly received by the Iranian government and that most European diplomats are finding the environment in Tehran increasingly difficult to work in. His impression after his first two and a half months was that the regime remained too weak to make any concessions internationally, and was focused on consolidation of domestic power bases. He saw the regime shifting its basis of legitimacy away from the theological towards a more "normal" power-centric dictatorship based on an established spoils system with the IRGC serving as the backbone of a Supreme Leader/Ahmadinejad focused dictatorship. He criticized the opposition for lacking a clear leader or clearly defined goals and predicted the current regime would be able to maintain technical control of the country for the foreseeable future. Erbel cautioned that almost any sanctions would have a negative effect on the Iranian population, and that one should be careful in devising sanctions not to inadvertently pour more money into IRGC/government coffers. End Summary.

IRI - Less Islamic, Less Republican, More Dictatorial

12. (C) In discussions with Poloff on January 21, Erbel said he thought the Iranian leadership, which he defined as limited to Supreme Leader Khamenei (SLK) and Ahmadinejad, was in the process of consolidating its domestic power base. noted that almost all recent appointments to high-level positions reflected former classmates of Ahmadinejad's or close colleagues from his IRGC days. He said the SLK-Ahmadinejad alliance was not based on ideological sympathy or any deeper loyalty, but was rather a "marriage of convenience" in which each partner needed something from the other. He said that "legitimacy" was less important to the new power structure which was moving toward a "normal" dictatorship with primary focus on maintenance of power through financial incentives. The government was not supported by clerical or moral legitimacy nor by revolutionary ideology - but rather by cohorts within the IRGC who receive sufficient benefits to keep them happy and loyal (jobs, houses, University admission, healthcare, tax free shopping privileges, etc.) He noted that not even the Iranian constitution has much import any more. The Iranian system of "checks and balances" with its many councils and assemblies -- flawed as it may have been -- is now all but meaningless.

13. (C) He said this doesn't mean the government won't call on religion as a source of legitimacy when they think it can be useful, but fundamentally they no longer care if they are/are not truly religious or moral. Thus, he predicted that treatment of citizens was likely to get worse in the

near future as long as the government thinks that will help them centralize their power.

Gov't Weak - But Here to Stay

14. (C) Despite the weaknesses within the regime which he thinks will prevent any kind of negotiated settlement to the nuclear crisis -- as was seen during the domestic debate around the TRR deal-- Erbel is convinced the government remains technically in control of the country and will remain so for the foreseeable future. He doesn't see regime change as credible for the next few years, barring some sort of catastrophic, unexpected event (death of SLK, assassination of Ahmadinejad, emergence of a true leader from the opposition.)

Weak Opposition - Also Here to Stay

15. (C) Erbel call the opposition movement "headless" and lacking a common goal, but noted they were not going to go away either. He said the opposition seeks more intervention on the human rights front, but he is not sure the government is susceptible to much pressure on this front.

Nuclear-Issue and Sanctions

16. (C) Erbel didn't offer much insight into how to resolve the nuclear issue, though he thought Iranian ambitions were limited to achieving "breakout capability." Erbel noted in passing that the Iranian Ambassador in Berlin, Ali Reza Sheikh Attar, as recently as January 21, tried to convince

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him that the Iranian government really is ready to reopen talks on the TRR and would be willing to discuss the whole "1200 kilograms being transferred in one shipment." Erbel brushed off such comments (which he said tracked with what Iranian Ambassador to the IAEA Soltaneih also whispered in private to his German counterparts) as desperate attempts to try to buy more time by those who have little say in the Tehran decision making structure .

17. (C) Erbel did caution that almost any sanctions will have a negative effect on the Iranian population, and that given the IRGC's domination of the economy, an attack on the IRGC is also an attack on the economy at large. He added that one should be careful in devising sanctions not to inadvertently pour more money into IRGC/government coffers by making the black market more lucrative, given that the IRGC had a monopoly on smuggling (from drugs/alcohol to high end machinery.) On measures to target regime elites he questioned whether it was wise to cut off all EU travel since that would in effect cut-off any chances for dialogue or engagement.

Government Intimidation Is Scaring Away Contacts

18. (C) Erbel, who arrived in Tehran in October 2009 is an Arabist and has served primarily in the Middle East, with his most recent assignments being Ambassador to Baghdad and Cairo. Erbel complained that it is hard to get meetings with Iranians. People are increasingly wary of contact with Western Embassies. He said the photographing of Embassy guests as they entered the residence for Germany's October 3 National Day celebrations sent a stark warning to many Embassy contacts. While the Embassy's language school is still heavily visited he said Iranians have started turning down scholarships to study in Germany for fear of government reprisals.